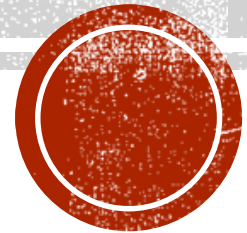


# **FY2016 TAX RATE AND FINANCIAL REPORT**

Mark Cavanagh  
Director of Municipal Finance



# PROPERTY VALUES CONTINUE SURGE

- Average Single-Family Home value increases **7.7 percent citywide.**
- **16 percent in three years of Recovery.**
  - **State Average during same time: 11 percent.**
- Commercial property values flat.
- Major value increase is a good thing long-term, but typically also means higher share of burden on single-family homes.
- City's stable financial position will allow us to offset major portion of increase.

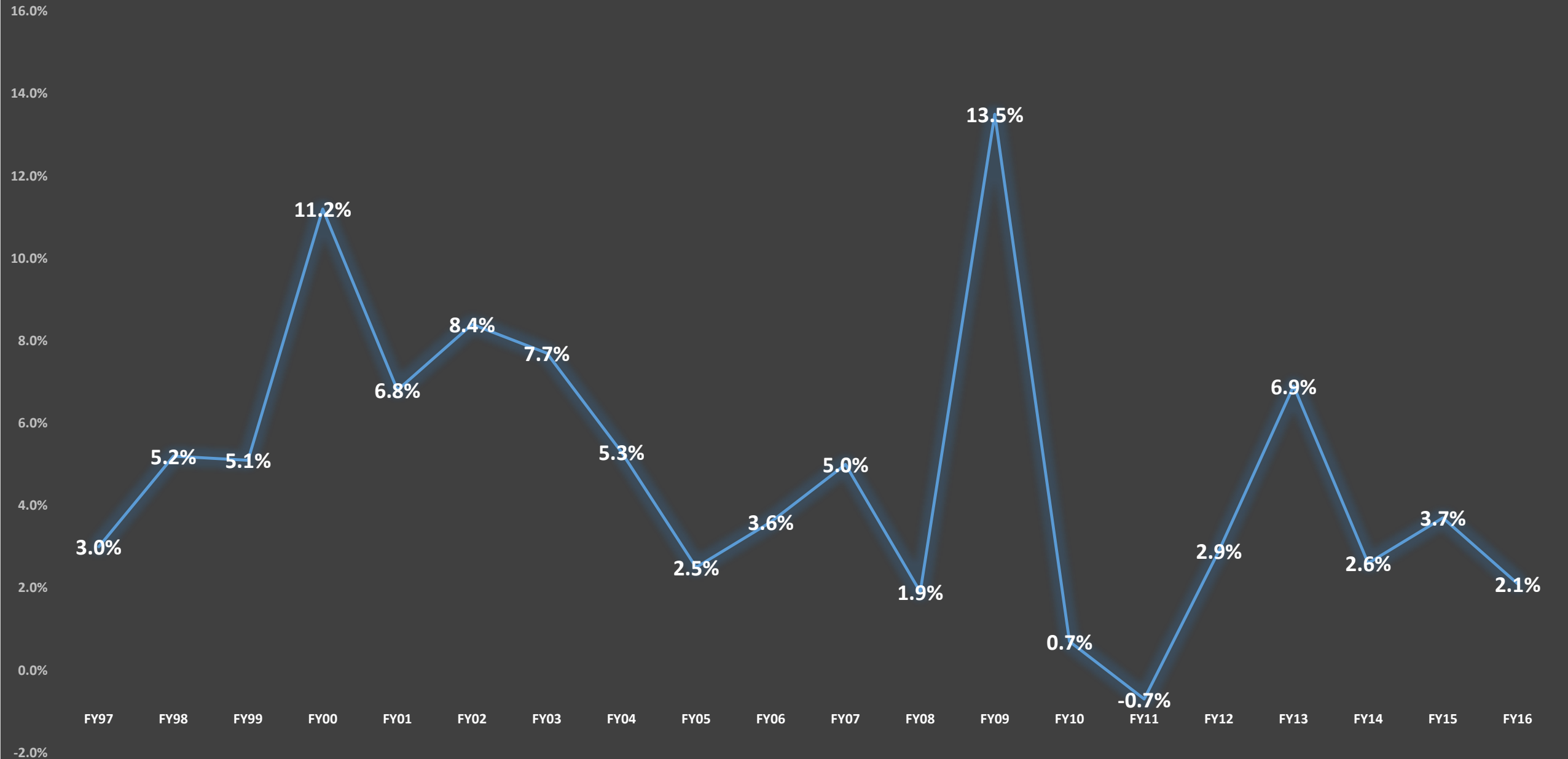


# TOTAL TAX LEVY

- Total Tax Levy increases 2.1 percent to \$201,704,295
- \$3.9 million increase **includes** \$2.1 million in new growth and \$1.8 million increase on existing levy.
- One of the lowest levy increases in 20 years.
- Previous low was the heart of Great Recession in which the City for the first time LOWERED Levy.
- 20-year average total levy increase is 5 percent.



# Tax Levy Increases 1997 to 2016

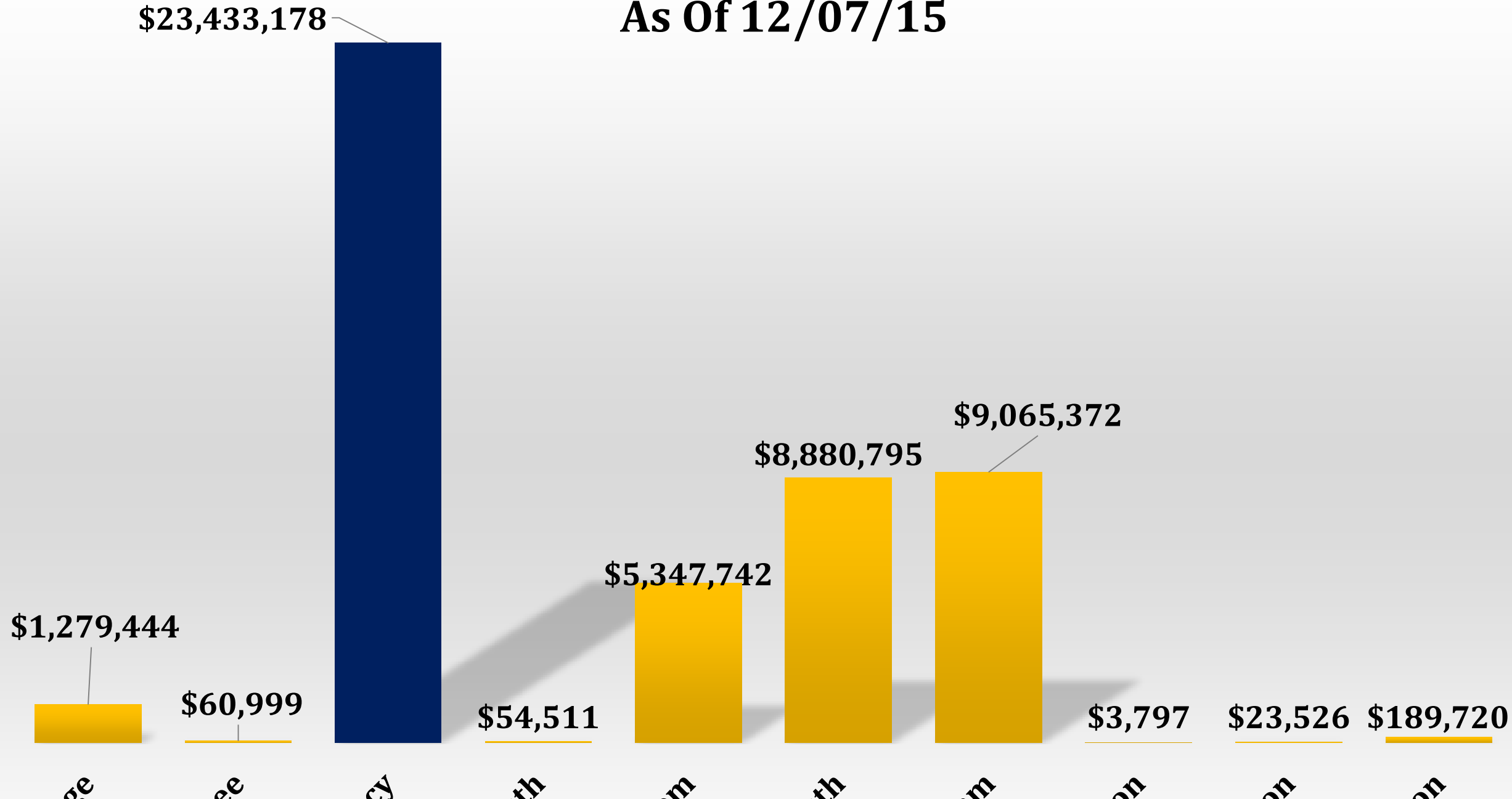


# LEAVING MILLIONS ON THE TABLE

- Historically low Levy increase continues growth of Excess Levy Capacity.
- Excess Levy Capacity is the state's term for the amount of money a city or town is below the legally allowed tax limit, called Proposition 2.5.
- Most cities and towns go very close to the limit, or even try to exceed it by seeking voter-approved overrides of Proposition 2.5.
- The state average for excess levy capacity is about \$1.2 million.
- After this tax rate is set, Quincy will have more than **\$23 million in Excess Levy Capacity.**
- By way of additional example, the City of Boston, with a total tax levy of \$1.8 billion has \$190,000 in excess levy capacity.

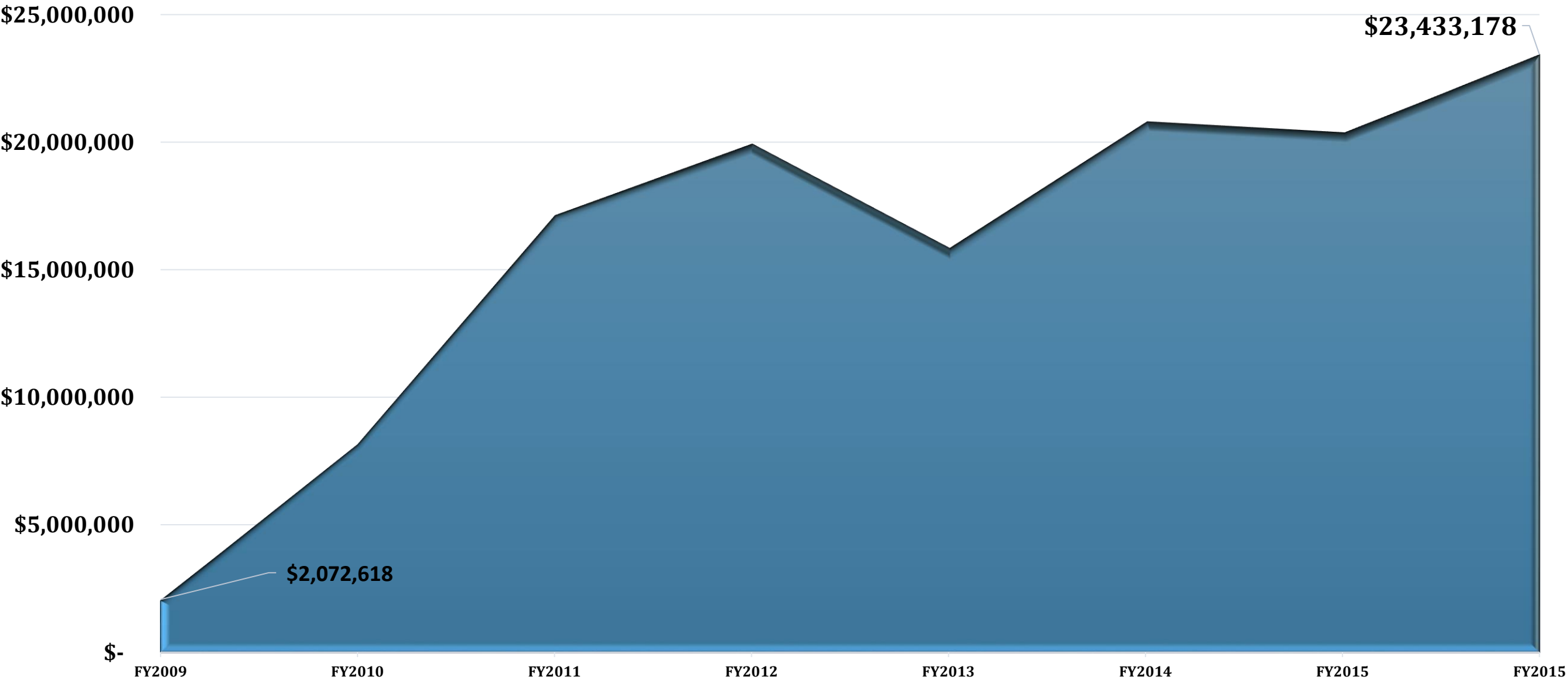


# Excess Levy Capacity As Of 12/07/15



# Excess Levy Capacity

## FY2009 to FY2016



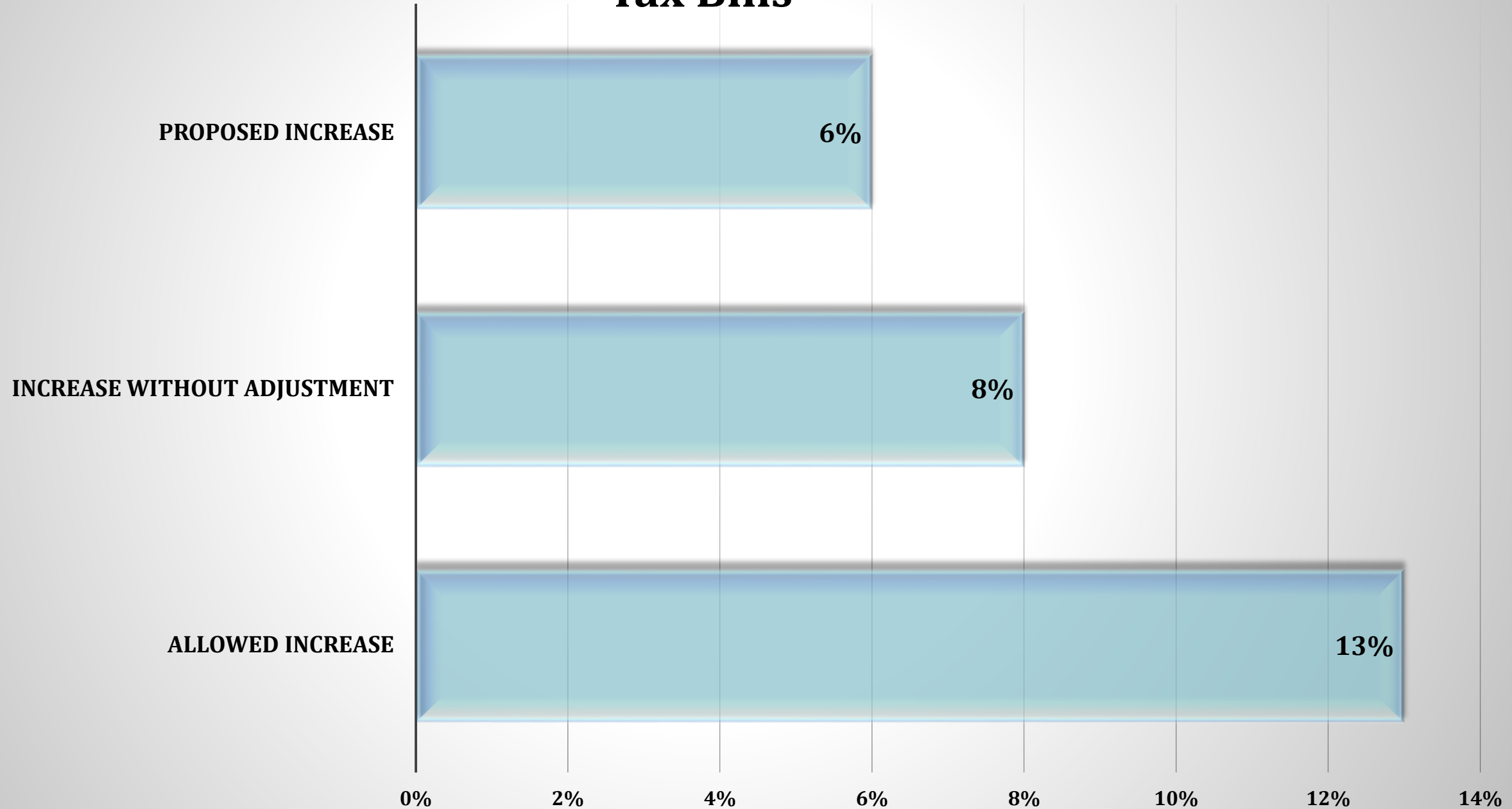
# TAX RATE PROPOSAL

- Residential Rate proposed for \$14.36 per \$1,000 of value, a decrease of 24 cents from FY2015.
- Commercial Rate proposed for \$29.37 per \$1,000 of value, a decrease of 89 cents.
- Appropriation of \$3 million from free cash to offset impact of value increases on single-family tax bills.
- Despite lower levy, value shift will mean 5.9 percent increase or about \$296 to \$5,277 on average single family home.
- Adjustment saves more than \$100 on average single-family tax bills.
- More than \$300 less than allowed by Proposition 2.5.





# Single-Family Home Tax Bills

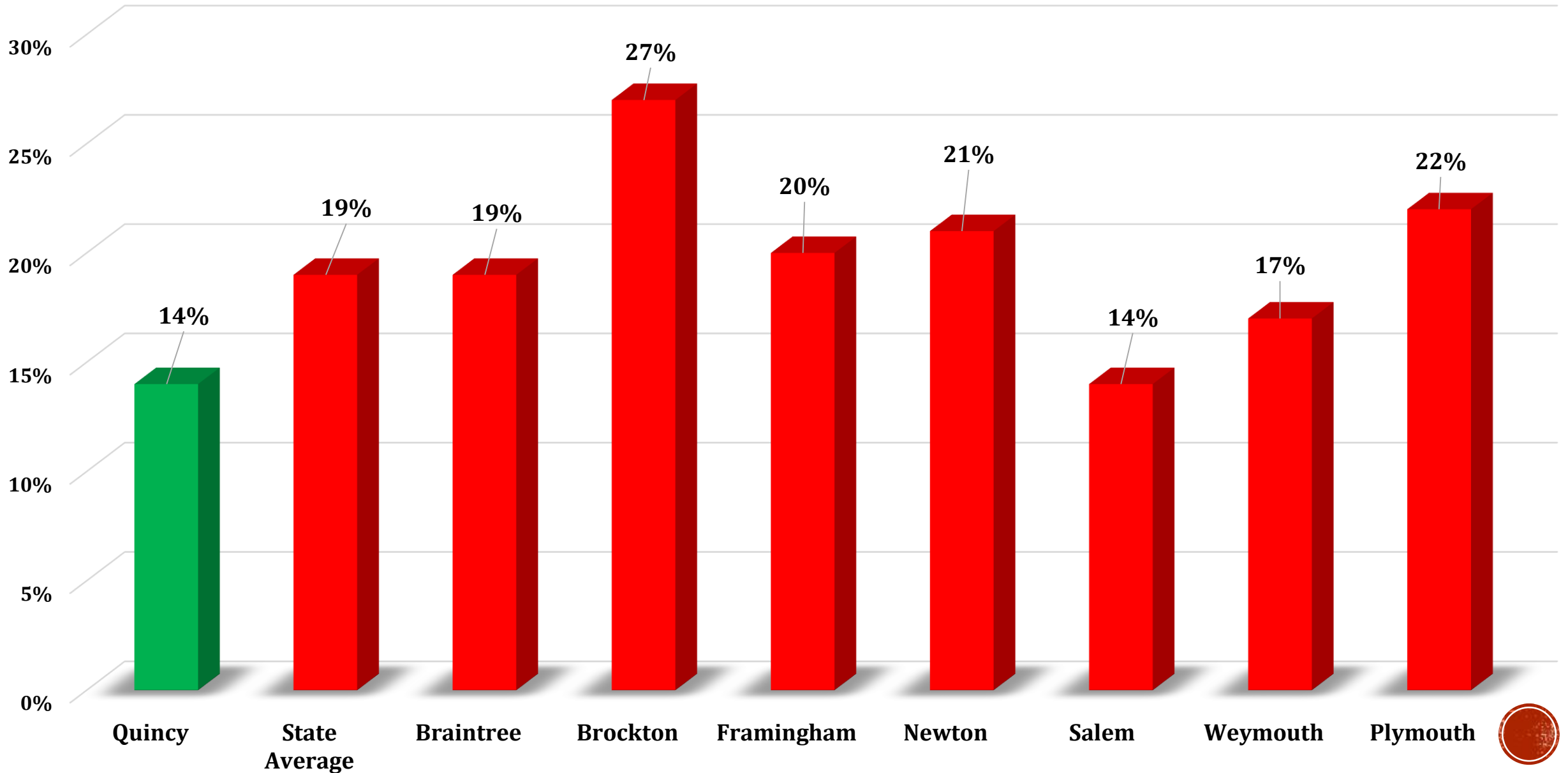


# TAX HISTORY

- Between 2010 and 2015, Average Single-Family Tax Bill has increased 19 percent statewide.
- Quincy's increased 14 percent due to lower levies and policies such as using Free Cash to keep levy low.
- In same period, few communities have kept increases lower than Quincy.



# Average Single-Family Home Tax Increase FY2010 to FY2015



# SNOW AND ICE DEFICIT

- \$13,550,784 total spent
  - FY 2015 Snow and Ice budget appropriation: \$1.7 million
- Original Balance: \$11,790,784
  - FEMA reimbursement at \$667,425
- Current Balance: \$11,123,359
- Amortization: \$3.7 million for 3 years
- 2016 Amortization:
  - \$2,173,000 from Inclement Weather Account
  - 1,534,786 from tax levy.
- Snow deficit payment less than 1 percent of total levy.

